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THE AREA
REDEVELOPMENT

BOOKSHELF OF
COMMUNITY AIDS



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ATTRACTING NEW INDUSTRY



U.S. DEPARTMENT OF COMMERCE

Luther H. Hodges, Secretary

Area Redevelopment Administration

William L. Batt, Jr., Administrator

**THE AREA
REDEVELOPMENT**



**BOOKSHELF OF
COMMUNITY AIDS**

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FOREWORD

The Area Redevelopment Act, signed into law by President Kennedy on May 1, 1961, went on the statute books to help revitalize the economies in areas of chronic unemployment and underemployment.

The basic goal of this program is to join the resources of the Federal Government with those of private enterprise, communities, and States in the creation of new jobs.

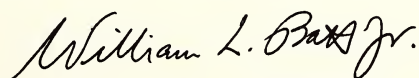
This is, of course, a long-range undertaking. Inducing new industrial and commercial enterprises to establish in a particular community is one of the most difficult and time-consuming tasks that a redevelopment organization will face.

The basic economic soundness of the community's case for getting a new plant should be the main determining factor in the company's location decision. But experience indicates that many communities often do not get the consideration they deserve simply because they have not presented their case effectively. Worse still, many have dissipated a large part of their limited resources in inefficient promotional efforts.

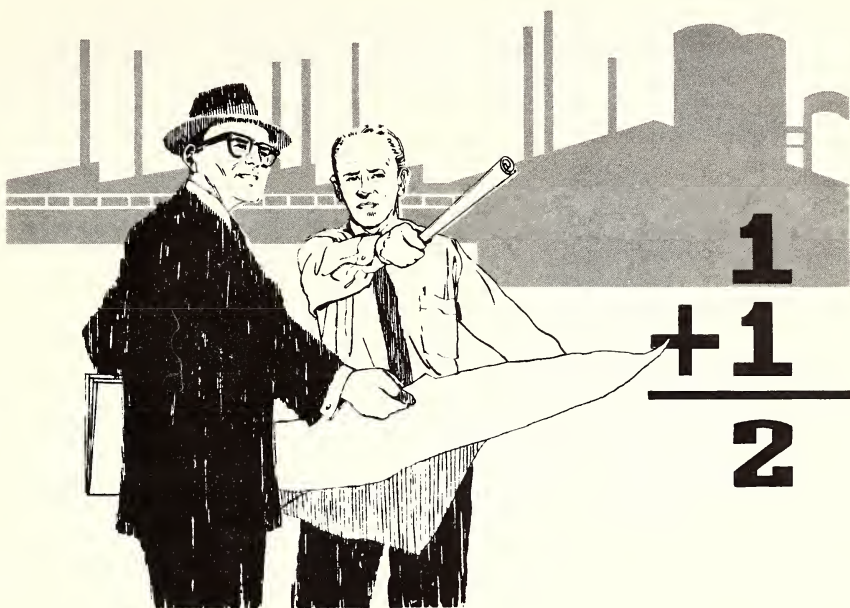
This booklet is designed to help redevelopment groups increase their effectiveness in promoting new industry—to get more “payoff” in terms of new capital investment and new jobs.

It should be pointed out that attracting new industry to an economically impacted area is not the only way to create new growth and new jobs. A companion ARA publication, “Developing ‘Home-Grown’ Industries” discusses the many advantages that come from the creation of new business operations that are locally organized and locally financed.

This publication is another in the Area Redevelopment Administration's “Bookshelf of Community Aids”—a series of guidelines for community leaders who bear the basic responsibility for stimulating new growth and new jobs.

A handwritten signature in cursive script that reads "William L. Batt, Jr." The signature is written in dark ink and is positioned above the printed name.

WILLIAM L. BATT, Jr., *Administrator,*
Area Redevelopment Administration.



WHY PROMOTE?

Early in 1962, a major U.S. producer of both consumer and industrial products announced it was seeking a site for a new factory.

The response was overwhelming.

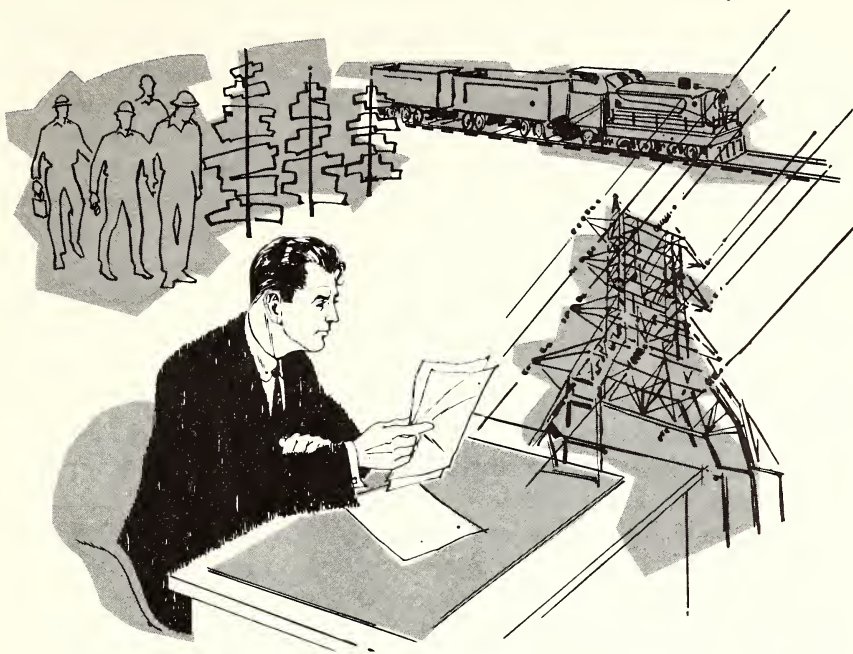
"We've been swamped," a company spokesman reported less than three weeks after the original announcement appeared. Over 4,000 individual "proposal letters" flooded in, representing over 500 different industrial sites and communities. These ranged from a single-page note from a farmer saying, "I have 50 acres of extra land that would be just right for you people," to a 100-page, highly technical presentation involving serial maps, architects' sketches, complex economic projections and thousands of words of closely reasoned copy.

But letters and brochures were only the beginning. More than 50 telegrams covered the desks of top executives and the telephone switchboard was clogged with urgent calls from dozens of mayors, Congressmen, chamber of commerce officials, county planners, industrial realtors, bank, railroad and utility officials, and just plain people with land or services to sell.

The anecdote may be dramatic, but it is in no sense atypical. Today, an estimated 14,000 private and public organizations are involved one way or another in the business of attracting new industry. However, only a few hundred firms are likely to build new plants in any given year. Thus the

question for most communities is not why or whether to promote new industry, but how.

This publication deals with the "how" of promoting new industry: How to interest industrial and commercial management in what an area has to offer and, equally important, how to sell them on actually locating in the area once their interest has been stimulated.



SPRINGBOARD TO PROMOTION

New England's famed "Yankee Peddler"—a bearded, frock-coated gentleman with a horse-drawn wagon—is considered by many to be the early American prototype of the modern-day salesman. His wagon loaded with items ranging from candles to clothing, he plied the countryside, seeking out customers for his wares.

There is a saying credited to this early-day entrepreneur: "You can't sell goods from an empty wagon." In other words, a businessman needs more than a good sales talk—he needs a product to back it up.

Unhappily, far too many industrial development organizations forget this obvious truth. The temptation to print up glossy-paper brochures, buy big-space advertisements in high-circulation newspapers, make technicolor movies, or launch wide-ranging industrial tours is often stronger than the urge to tackle the less dramatic but more essential job of sitting down first and carefully evaluating just what an area has to offer expanding industry or commerce.

Fortunately, the areas eligible for assistance under the Area Redevelopment Act have a decided advantage in this regard. For the most part, they have already made their basic community audit of assets and liabilities, and have established their own goals for relieving the problems of persistent

and severe unemployment or underemployment, and for raising the level of farm and family incomes.

This basic community planning stems from the requirement in the Area Redevelopment Act that community redevelopment groups prepare an Overall Economic Development Program in order to qualify for the loans, grants, technical assistance, and training benefits provided under the program.

This locally conceived program, with its careful analysis of the past and present and its action program for the future, can—and should—also serve as the redevelopment area's springboard for promotion.

Being a designated redevelopment area has many other advantages which are of direct value to promotion. The added incentives for investment which the Area Redevelopment Act makes available to assist local endeavors represent in themselves strong promotional arguments. Because of its participation in the Area Redevelopment program, a community can offer:

- Major financial assistance to help a firm establish a new plant, or expand an existing one. ARA can make a long-term, low-interest loan covering as much as 65 percent of the cost of land, buildings, machinery and equipment, with the community or State putting up a minimum of 10 percent. The result: A company can begin operations in a redevelopment area with a minimum equity investment for buildings and machinery.
- Specific public facilities (waterlines, sewerlines, railroad spurs, access roads) which new companies need to begin operations, with ARA prepared to help with long-term loans, plus grants if required, in order to help bring new permanent jobs to the community.
- ARA's technical assistance features for studies of natural resources, new products, new processes, new markets that can help a concern make its decision on locating a new plant.
- Help in training the available workers in the specific skills required by a new company establishing in the area, thus lowering the firms's starting-up costs and appreciably shortening the time it takes to get into full production.

Once a community has prepared its Overall Economic Development Program it is safe to assume:

- That there is a going development organization representing the community or the area.
- That this group knows the area's economic facts of life—its markets, resources, manpower, facilities, and services—which, far more than advertising slogans or sales techniques, will determine the success or failure of industrial promotion.
- That when the community talks "new industry," it is referring to expansion of existing plants or the establishment of new ones and that it is not talking of relocations which are not eligible for ARA assistance since they will only create joblessness somewhere else.

- That it has begun to think about “new industry,” not in general terms but in the specifics of particular industries. (Not “metalworking might be a good bet for this town,” but “metalworking should prosper here for these reasons . . .”).
- That it has taken a long, hard look at limitations and obstacles as well as advantages and incentives.
- That it has at least the start of a continuing program for turning up new industrial opportunities.
- That it is acquainted with the scope of the Area Redevelopment Act, and knows what other assistance is available from other Federal agencies and the State.

A community which has taken these basic steps has a story to tell. The problem now is how to tell it effectively and within the boundaries of what, in most redevelopment area organizations, is a very tight budget.



HUNTING INDUSTRIAL LEADS: RIFLE, SHOTGUN OR CANNON?

The basic question that the redevelopment group must ask itself is: "Whom are we trying to reach?"

There is a great temptation to use the "trickle-down" theory of advertising—trying to reach everybody in the United States in the hope of contacting the investors the community is after. Possibly one-quarter of 1 percent of local area development organizations have the budget, the staff and the expert knowledge of mass media required to make this strategy pay off. For the other 99¾ percent, a less expensive but more direct approach is advisable—figuring out which industries the community wants, and then trying to get them to locate a plant in the area.

The following few sentences from a U.S. Chamber of Commerce study, "Finding Prospects for Community Industrial Development," suggest the kind of intensive detective work that should go on long before the community prints up its first brochure or sends out its first promotional letter:

Think first of those manufacturing activities that will use local materials or take advantage of local markets . . . Is there a company that might make use of the byproducts or wastes of existing

industries? One that would provide jobs for the unemployed husbands of your female work force? If you have a large pool of seasonal workers, you might turn that liability into an asset, assuming that you can find a company that needs workers in what is at present your "off-season" . . . Also, warehouses and other distribution facilities may bring added employment and many similar community benefits.

In seeking new industry prospects, the community should not overlook its own "backyard".

A speaker at a recent convention told the story of an Iowa community of 30,000 which had acquired no new industries during 1959—an apparent failure in industrial promotion. Yet close analysis revealed that during the year, five major companies had expanded, adding 450 employees and millions of dollars in payroll and purchasing power. In reality, it was a pretty good year.

Local or nearby firms are not only more accessible but they already have a much greater knowledge of what makes the community tick and are therefore that much easier and less expensive to convince. A study by the Federal Reserve Bank of Boston, for example, showed that executives with production experience in New England had a much more favorable impression of that area than those without such experience.

This suggests that, as a matter of first priority, the redevelopment group draw a circle with perhaps a 100-mile radius around the community and squeeze out every new expansion possibility right at home.

The members of the redevelopment organization should all have a crack at coming up with local industrial leads. But these are only the beginning. Local businessmen who travel can serve as "scouts," reporting back on the expansion plans of the companies they visit. Retailers with intimate knowledge of the plans of their suppliers can also be invaluable sources of leads. Union members often know of the expansion plans of companies with which they have collective bargaining agreements. Added to these are the professional developers in and around the community—the State development agency, industrial realtors, railroads, banks, private utilities, rural electrical cooperatives, chambers of commerce.

The point is this: The first step is to build up a solid list of local industrial prospects. It's a much more sensible, and much less expensive, way to start than designing an advertising campaign in national business magazines or embarking on a transcontinental industrial tour.

After the community has exploited the nearby prospects to the fullest, it should assemble company names on a regional and even a national basis. Again, the local group should start small—aiming, not at all industries, but at those few industries for which a strong case can be made.

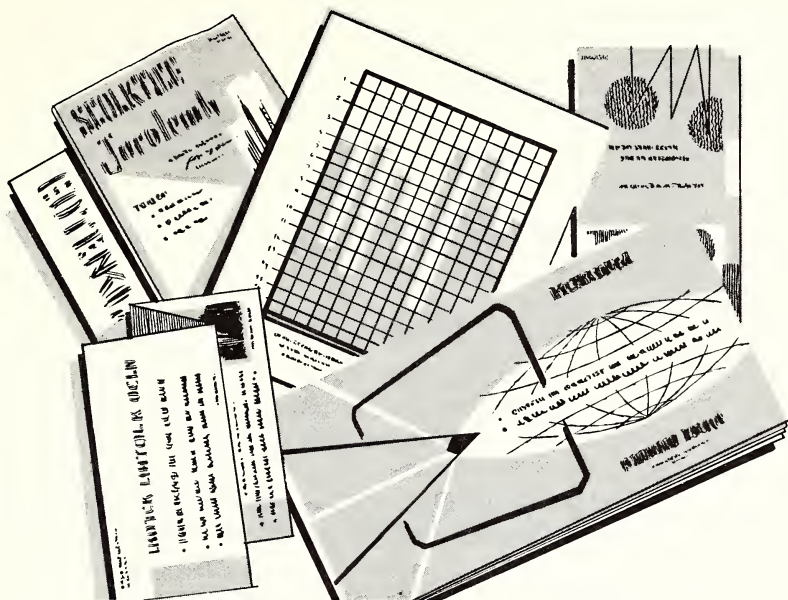
For assembling national industrial lists, there are a great many commercial consultants available, provided the community can afford their

services. The New York City telephone classified directory alone catalogues over 120 specialized mailing list houses which can draw up lists ranging from abattoirs and abrasives to zinc smelting and zippers.

Some development organizations have spent thousands of dollars getting such lists assembled. To avoid bending its budget beyond repair, the redevelopment group might, instead, consider these seven effective steps:

1. Reading newspapers, business magazines and technical and trade publications for information on new products, new stock offerings, building programs and executive appointments which might prove to be tips on corporate expansion.
2. Collecting company annual reports, since they often tell stockholders not only what has been done but also what is being planned.
3. Tapping all the "natural ally" sources in the area—State development groups, utilities, railroads, banks, chambers of commerce, construction companies, research institutions and the like. One example: A western Pennsylvania electric company allows member communities to draw from its central list of 17,000 prospects, saving them valuable time and hard cash.
4. Buying at least one general directory and one specialized industrial manual in the industrial grouping that best suits the community's needs. A comprehensive list of both general and specialized directories can be found in the U.S. Department of Commerce booklet, "How to Locate Industrial Prospects for Your Community" (10¢) which gives prices and coverage.
5. Checking the growth potential of the type of industry the community is seeking. Information on industry growth rates is available through the Area Redevelopment Administration.
6. Listing not only companies, but also the executives who make or influence site location decisions or, as one county industrial representative put it, "the man who fires the gun." Finding this man is a subject of some controversy among experts, but the consensus seems to work out something like this: In smaller companies, the president is the man; in bigger, "blue chip" firms, other executives—such as the executive vice president, director of facilities planning, real estate manager, assistant to the president for production, or director of industrial development—may also have the authority to review plans and even initiate action.
7. Above all, keeping lists of prospects up to date. Companies merge, die, and change with astonishing frequency, and there is a very high turnover rate in business executive jobs.

Putting company and executive names on little white cards is not exactly a glamorous or dramatic business. But it is the all-important seven-eighths of the promotion iceberg that is hidden beneath the surface, for the list will serve as the solid foundation for all of the community's industrial promotion and selling activities.



BROCHURES, BROCHURES EVERYWHERE

In the library of the Area Redevelopment Administration in Washington, one long wall is lined with steel filing cabinets containing literally thousands of industrial promotional booklets, pamphlets and brochures. They range alphabetically all the way from Autauga County in Alabama to Washakie County in Wyoming.

There's nothing wrong with brochures. They can be an easily distributed, highly effective way of telling a community's story—provided they are done well enough to carry their weight in what is probably the most fiercely competitive area within the whole fiercely competitive industry-attracting business.

A quick review of 150 regional, county, and community brochures shows three general approaches:

THE SLICK MAGAZINE APPROACH—Printed on glossy paper with an elaborate full-color cover and fancy plastic binding, this brochure tries to create the impression of an industrial Utopia. Full-page photographs (often in four colors) of healthy young ladies on water skis and serious scientists peering into microscopes overpower a text which talks almost exclusively in generalities and superlatives. "Vast markets," "eager, highly

skilled workers," "superb transportation facilities," and "unsurpassed recreational facilities" are some of the heady phrases which punctuate the text.

The presentation is often a triumph of art direction, color photography, and prose. It may receive high praise from local newspaper publishers and other opinion-leaders. The only trouble is that it doesn't contain the kind of hard, specific facts on markets or transportation facilities or labor availability or water resources that cold-eyed site-seekers need. As a result, after a quick lookthrough, the beautiful brochure becomes a new and expensive addition to the waste basket.

THE LAUNDRY-LIST METHOD—This is a very different proposition. Simple, often austere, it is packed with facts, statistics, charts, quotes, maps, and economic tables. Unfortunately, the connection between this mass of data and industrial location can be discovered only with the most conscientious and time-consuming kind of search through a welter of crime statistics, vehicle registrations, and average daily temperature since 1900. The following quotation from a Midwestern city's brochure is, unfortunately, typical:

For fire protection we have 5 firehouses, 7 companies. Organization of 80 men includes 4 chiefs, 7 captains, 7 lieutenants, 62 men. Equipment includes 6 pumps, 1 aerial ladder, 1 squad, 2 officer cars and 1 fire mechanics truck.

This sort of booklet might not be thrown away, but too often it is assigned to a dark file or shelf for months or years unless someone finally arrives with the staying power to plod through it.

THE NO-NONSENSE TECHNIQUE—Attractive but seldom showy, this type of presentation lines up in straightforward order the argument for industrial location, then hits at the facts one-by-one in direct language. The photographs or maps or charts are obviously relevant to the text. It may discuss problems and obstacles as well as positive advantages, giving an impression of honesty and objectivity.

In short, rather than pleading or yelling, it talks in business-like language to the decisionmaking executive, gaining his attention, interest, and possible action.

One of the all-too-few examples of this third category is a 45-page mimeographed report issued by the chamber of commerce of a small town in Indiana. After a half-page, straight-from-the-shoulder introduction noting that the following pages outline key competitive cost considerations, the report gets down to cases, outlining 35 categories of facts ranging from population trends through local wage scales to specific industrial locations. There are clear maps of the county, city, and surrounding area; a current listing of manufacturers, and many other useful facts.

Provided that this town has assembled its list of prospects as well as

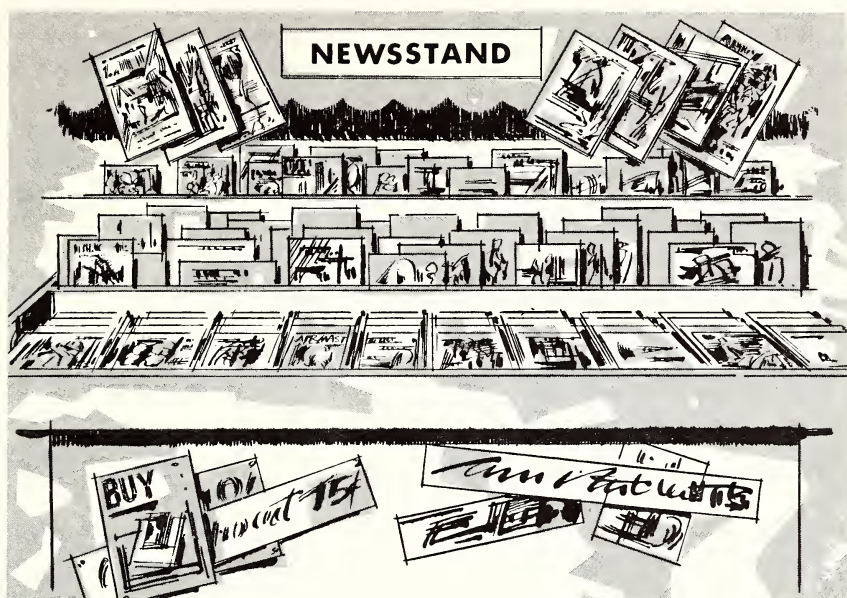
it has drafted its basic proposal to them, it should be off to a pretty strong promotional start.

For the community planning a brochure to get its story across to prospective industries, the following yes-or-no checklist will prove valuable in preparing an effective publication:

	Yes	No
● Is the size 8½ x 11 inches, or some other shape that will fit easily into a standard size envelope or file folder?	_____	_____
● Is it light enough to mail first class without costing an arm and a leg?	_____	_____
● Is the title straightforward and factual? ("A Guide to Investment in Anywhere" is a good deal better than "Come to Anytown, A Balanced Economy of Purposeful People.")	_____	_____
● Does it concentrate on getting across the relevant facts, instead of making boastful generalities?	_____	_____
● Does it outline distinctive advantages or incentives that the community has to offer?	_____	_____
● Does it use testimony of respected authorities (bankers, management consultants, business publications) to back up its statements?	_____	_____
● Does it list by name some firms currently operating in the area? (Even if no new companies have been established, the brochure can refer to long-standing local concerns.)	_____	_____
● Are all of the statistics at least reasonably up-to-date? (1930 census figures, for example, aren't much help.)	_____	_____
● If photographs, charts or other visual materials are used, do they look professional? (Better no artwork than bad artwork.)	_____	_____
● Is the brochure clearly aimed at selected industrial prospects rather than the general business or the general American community?	_____	_____
● Finally, does it include the name, address, and telephone number of the organization putting out the brochure? (Strange as it may seem, others have forgotten this essential information.)	_____	_____

Even though a basic descriptive industrial brochure is often a must, communities are turning more and more to the use of giveaway, sendaway, or presentation materials as effective supplements. Here are some suggestions:

- **MAGAZINE OR NEWSPAPER REPRINTS**—These have two great advantages: They're low in cost, and they have the strength of a third-person endorsement.
- **INDUSTRIAL FORECASTS**—These take economic know-how to prepare, but are worth the effort because top executives live by their educated guesses about the future. Example: "The Next 15 Years" published by the Southern California Research Council.
- **NEWSLETTERS**—These provide prospects with continuing factual information, but are often expensive and time-consuming to prepare. The Southern New Jersey Development Council reports that its once-a-month, newspaper-format publication provides a steady source of good-quality executive inquiries.
- **SPECIFIC INDUSTRY REPORTS**—These are obviously best of all, since they get down to cases and hit the prospect where he lives. One county in the South came up with a little folder titled "Invitation to Electronics," which made an immediate inspection visit seem both attractive and sensible.



IT PAYS TO ADVERTISE— SOMETIMES

Our space advertising has brought several inquiries and we have been able to close a deal with one of these prospects. Thus we have obtained our first new industry.

—Executive director, a New England
development corporation.

In 26 years of industrial development work, and after having located literally hundreds of all types of industry, I have yet to have an industry approach me as a result of an advertisement.

—Manager of industrial development
for a major railroad.

As these quotations suggest, area redevelopment advertising in newspapers or other publications is a highly controversial matter. Despite the disagreement, development advertising expenditures continue to climb sharply, and have increased an estimated tenfold in the past dozen years.

Before deciding whether space advertising has a role in a highly selective, tight-budget promotion program, it would be well to look briefly at the asset and liability side of the advertising ledger.

THE PRO-ADVERTISING CASE—Advertising has served long and well in helping to sell U.S. goods. Thus, it is reasonable to believe that advertising—properly designed, placed, and handled—can sell industrial locations just as it sells thousands of other products and services.

The best-known, big-scale industrial promotion groups—Pennsylvania, North Carolina, Puerto Rico, to name just three—have consistently devoted a large part of their budgets to buying space in large-circulation business magazines and newspapers.

Furthermore, the enormous growth of special industrial publications—from **American Machinist** to **Women's Wear Daily**—allows the development advertiser to tell his story specifically and inexpensively to a select executive audience.

Finally, with advertising, unlike some other forms of promotion, the development group can control every word of its message and can get it out at the precise time when it will do the most good.

THE ANTI-ADVERTISING CASE—Area redevelopment advertising sometimes represents the lazy man's way out—making the developers "look good" back home, bringing in baskets of largely worthless inquiries from students and other curiosity seekers and generally distracting the local group to the detriment of the No. 1 job of selling the community in depth to a handful of prime prospects.

Selling a manufacturer on a new industrial site, unlike selling a tube of toothpaste or a suit, is often a matter of economic life-and-death requiring tens of thousands of written words and days of oral discussion that simply cannot be squeezed into an ad.

Finally, the admitted mushrooming of development advertisements, with their stereotyped layouts and cliché-ridden copy, have actually led many responsible site-seekers to look elsewhere for serious and objective sources of information. Particularly for redevelopment organizations, which usually have big problems and little budgets, space advertising becomes a matter of decidedly low priority.

The truth probably lies somewhere between these extreme viewpoints. Advertising may be one sensible way of bringing a particular industrial-advantages message to particular industrial prospects. The following ideas will be helpful to the group debating the "to-advertise-or-not-to-advertise" question:

- **PURPOSE**—There is really only one right reason for industrial development advertising: To interest potential investors. Yet many redevelopment groups consider advertising for a host of wrong reasons, among them: To prove to local critics that "something is happening"; to pacify a hometown newspaper, printer, or advertising agency or, in the case of special newspaper supplements, to "get in because everybody else is in."

- **SIZE**—A double-page advertisement in a major weekly news magazine may involve an expenditure of over \$40,000. By contrast, a four-line ad in an influential electronics publication may cost around \$10. There's a lot to be said for starting at the lower end of the scale.
- **MEDIA**—Starting with local and nearby newspapers makes sense, since that's where most of the prime prospects are likely to be found. Next, the group should consider the trade publications which focus on specific industries instead of on industry or business in general. No matter what product category looks right for a redevelopment area, there is at least one excellent publication, and probably more, covering that field. The place to find out about all of these business publications, including their space rates, is in the book "Business Publication Rates and Data." Many libraries, and all advertising agencies, have copies.
- **CONTENT**—An advertisement should say something. If this simple advice were followed, the quality and effectiveness of area development advertising would increase tremendously. Yet the glittering generalities, the silly superlatives, and the blind boasts continue to outnumber the solid statements of fact presented interestingly and objectively. The following sampling of actual development ad headlines points up the contrast:

SAY SOMETHING

"A new plant without new capital."

"Need water? Availability is five times present usage."

"100% Financing Plan"

"IBM bought our first, GE leased our second, and our third speculative plant may be exactly what you're looking for."

The same point of saying something goes for the photograph or map or other artwork that accompanies the text.

SAY NOTHING

"We mean business!"

"Here's your ideal plant site."

"Fore-site Means the Best Site."

"Here you are right in the center of things."

- **LIMITATIONS**—Even if everything is done right, advertising should not be expected to produce miracles. Advertisements rarely lead directly to new plant establishments. But they do show at least some of the right people that the community is in the market for new plants, and perhaps give a little push in the right direction.



MORE THAN A MIMEOGRAPH MACHINE

There's one important thing to remember about newspapers and magazines, whether they are general circulation publications or are beamed to specific business groups: Advertising costs money but news space is free. Thus a good "free plug" for a development organization is always worth the time spent in preparing it.

This line of thinking has led many area developers to discover the mimeograph machine and its amazing utility for grinding out publicity releases. The idea is to mail out stories or photographs to publications across the country in such quantity that somebody somewhere is sure to print one. However, it just doesn't work out that way in practice. Editors simply buy bigger waste baskets (some national business periodicals report that they throw away 200 to 300 industrial development releases for every one they publish.) The redevelopment group that uses the deluge approach may find itself in the unhappy position of having cried "wolf" once too often, thus cheating itself out of news coverage when it has something really important to say.

Yet publicity can be made to work for a community. Scranton, Pa.; Paterson, N.J.; Burlington, Vt.; Amsterdam, N.Y.; Keokuk, Iowa; Livonia, Mich.; and Oak Ridge, Tenn., are just a few of the communities that in

recent years have received favorable editorial coverage unquestionably more valuable than any advertising could buy. In each case, the key was quality, not quantity.

As in the case of advertising, the best place to start is at the local level, working outward as the local group gains experience and know-how. If the local newspaper publisher, editor, or reporter isn't already closely associated with the development organization, he should be brought into the picture and should receive a periodic report on how the program is proceeding.

This kind of continuing press coverage has two strong advantages: It keeps local citizens informed and interested, and it creates the proper idea climate for visiting site-seekers or for business leaders in other cities who often examine local newspapers as a tipoff to basic community attitudes toward new enterprise.

The next step is to approach writers and reporters in nearby communities, particularly in the metropolitan centers where firms with expansion potential can be expected to be found. After this basic spadework has been done, the redevelopment group will be in a better position to branch out into the national trade press covering those specific industries regarded as "best bets" for the community's economic development plans.

Here are some tips on the kinds of information that will interest reporters and editors, whether at the local, regional, or national level:

- **NEW PLANT ESTABLISHMENTS**—Corporate names make news, and nothing interests industrialists more than what their competitors are doing. If a plant opening can become a real event, with the Governor or other high-ranking officials attending ribbon-cutting ceremonies, there will be a good possibility of getting a picture used along with a story.
- **NEW INDUSTRIAL FACILITIES**—There are good story potentials in things that stem from redevelopment efforts: The establishment of new industrial parks, site improvements, expanded water systems, modernization of roads, main street cleanup, tax changes, or planning studies.
- **INDUSTRIAL LANDMARKS**—Some years ago, Puerto Rico marked the opening of its 500th new factory and won recognition in hundreds of newspapers and business magazines. There is good newspaper copy in significant statistics—all the way from the 100th anniversary of a town or the 10th anniversary of its industrial development effort to a five-year report on a community's new industry or an announcement that industrial payrolls passed the million-dollar mark.
- **TESTIMONIALS**—A community's efforts can be enhanced by the prestige of others. This goes particularly for the VIP's—businessmen, bankers, government leaders, or trade association figures. When they visit a community, it would be better to solicit a good solid quote that

can be relayed to the press than to go through the meaningless ritual of presenting the key to the city. For example, a visiting top executive of an electronics firm commented on the possibilities of research facilities in a semi-rural community, and the story made not only newspapers throughout the State but also many trade and technical publications.

All of this is only the beginning. Once the local group develops a knack for recognizing good news, feature material, and photo possibilities, the potentials become almost limitless. During a single month, for example, one major industrial development organization sent out legitimate news stories on a new plant opening, expansion of an existing plant, a new warehousing facility, record production statistics, a merger, an acquisition, a major defense contract, a progress report on an industrial park, and a 12-year case history of a small machinery manufacturer.

While most publicity material should be carefully aimed at local, nearby, and trade publications in relevant industries, there is always the possibility of a "big story" in a prominent national magazine, as well.

Late in 1961, a group of school children in Berwick, Pa., wrote to President Kennedy expressing their concern over the impending closing of the community's last major industry—a situation which threatened economic disaster for an area already hard hit by industrial decline.

The children's letters, the stimulus they gave to community leaders and State officials, and the subsequent organization of a new industry with the financial aid of the Area Redevelopment Administration, eventually came to the attention of the editors of Parade Magazine (a Sunday supplement appearing in 70 newspapers, with a total circulation of just under 11 million). The magazine dug deeper. The net result: On August 26, 1962, a feature story titled "The Kids Who Saved a Town" appeared in Parade—telling the public how the stimulus of the children, plus the partnership of private enterprise, the community, the State, and the Federal Government had started Berwick off on its economic development program. The cost for a similar size advertisement in Parade: well over \$40,000!



HOW FAR WILL A 5c STAMP GO?

Back in 1955, the Federal Reserve Bank of Boston conducted a survey of 78 senior executives of "blue chip" manufacturing companies to determine, among other things, their receptivity to specific industrial promotion techniques. Here is one of the conclusions:

Industrial executives tend to think that direct-mail promotion, when handled correctly, is more useful than any other type of advertising. The most effective mailings are those sent to selected prospects who have already been personally contacted by the promoter.

Direct mail promotion can be an enormously effective way of getting the story of a community's potential across to industry executives. But it takes a little insight into the man whose attention is being sought in order to dispel the mysteries of how to prepare a message that will capture his attention.

The industrial site-seeker is smart, fast-moving, highly practical, mature (probably over 40), and, no matter what his title, a power within the company. He is also incredibly busy, besieged by an army of all kinds of promoters, and insulated from the outside not only by his secretary but very possibly by a couple of executive assistants, as well.

Translated into the mechanics of direct mail, this means that, to be effective,

promotional letters should be brief, should get to the point fast, should be as personal as possible, and should tell only enough to encourage further interest and action.

Obviously there are at least as many ways of writing a good industrial promotion note as there are people writing them, but three elements are often found in letters that have elicited interest or, better still, action. They are a "hook" at the beginning, "meat" in the middle, and an "offer" at the end.

● **THE HOOK**—Unfortunately, executives and their secretaries often don't read—they skim. This means their attention has to be captured quickly to keep the letter from being assigned to the familiar round file beneath the desk.

A Pennsylvania development organization sent a pack of zinnia seeds along with a note that started off: "Everything grows well in Southeastern Pennsylvania, 'plants' of all sizes." Another group went even further, enclosing its letters in plain envelopes addressed in pen-and-ink by a feminine hand and seasoned with a squirt of perfume—this on the theory that no secretary would dare either open or discard a letter so disguised.

But such showy techniques can backfire painfully, and it's wiser to stick to a straighter approach, touching at the outset that most vital of all points of contact, the pocketbook nerve. The whole story should be boiled down into a short sentence or question that immediately suggests corporate profits. Here are some examples of bite-attracting hooks:

"Why is one of your competitors in _____ County?"

"A \$200-million market now awaits a certain electrical manufacturer . . . You?"

"If your net profit is now under 7 percent, read this."

"We dare you to match _____ City's lower production costs against any **three** other locations."

● **THE MEAT**—Once a letter has ignited curiosity, the trick is to fan it into active interest by the addition of a few highly relevant facts.

The danger here is to say too much, rather than too little; if the first letter moves over onto a second page, the message is in trouble. Ordinarily it makes sense to highlight just a few prime facts and figures on one or two location factors (markets, labor, sites, utilities, living conditions) instead of trying to cram the whole location story on a single page.

In all types of industry promotion, talking quietly is better than shrieking; short, simple sentences move the message faster and further; and leaning on the endorsement of others is more effective than blowing one's own horn.

● **THE OFFER**—The basic purpose of direct mail is to get the reader to do something, and the last couple of sentences should describe just what

should be done: Sending for a brochure or other specially prepared material, filling out a checklist, attending a special meeting or conference, or just waiting for a telephone call from the redevelopment committee.

One way of encouraging action is to enclose a self-addressed return postal card. That way, a highly pressured top executive need only mark a couple of boxes and sign his name to get the next installment of the promotional effort.

Direct mail is the most selective of all area development promotion techniques, since it involves a hand-picked prospect list and doesn't lead to waste response from over-eager high school students or compulsive coupon-clippers.

One other unique direct mail advantage is **control**. The percentage of return is measurable (and over 1 percent return is considered good) so the local group can learn from past mistakes and triumphs and base future programs on proved achievement instead of hope, luck, or intuition.

Before the local committee gets too sophisticated in its direct mail, it should remember that the basis of all such promotion is the honesty, directness, and strength of the letter itself. On March 12, 1959, the following note was sent to V. R. Bechtel, assistant to the executive vice president of American Cyanamid in New York City:

My identity is immaterial except to say I am a teacher who is anxious to have good schools and sound educational programs found only in communities where the tax burden is shared by industrial and residential tax income.

Having taught formerly in towns that pride themselves on being strictly residential, I am now teaching in Wayne Township where planning and goals are more farsighted. The results of this planning show up in the educational facilities you can offer your employees and their children.

This is sent to you entirely on my own behalf, for it seems a shame that you must struggle to convince (another community) of the benefits of your expansion program. You would not have to convince Wayne. They will welcome you with open arms.

Good luck,

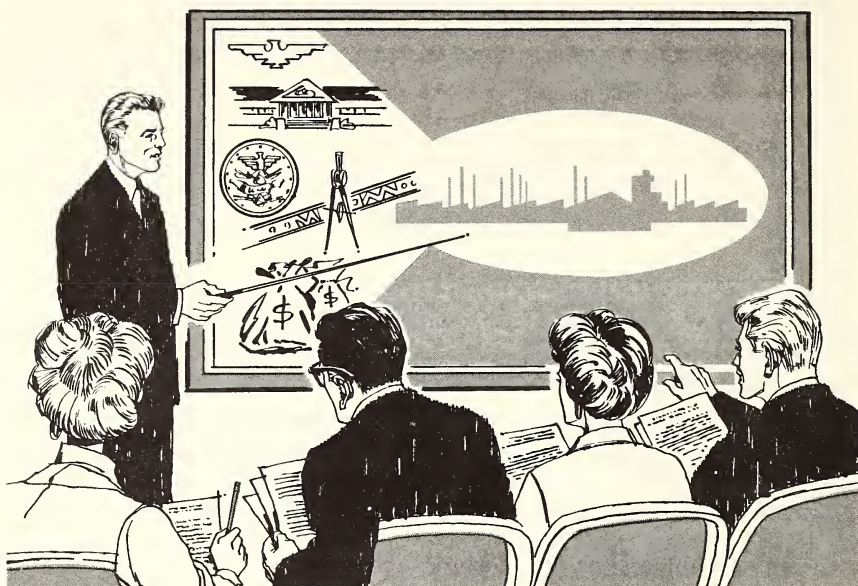
LOUISE JOHNSON.

Seven months later, on September 20, 1959, a New York Times business-page headline told what happened:

TEACHER LURES PLANT AS TAX AID

How Plea for School in Jersey Attracts Cyanamid to Town

How much is well-written letter worth? In this case the answer was between \$8 and \$10 million!



THE TOTAL SELL: TOGETHERNESS AND INDUSTRIAL DEVELOPMENT

The local organization may be an OEDP committee, a local development corporation, an industrial commission, a planning board, or any of a couple of dozen other groups. It may have 4 members or 40. But in terms of industrial promotion, it will have only two choices: Going it alone, or going it together.

Going it alone may be a tribute to essential American individualism, self-reliance and trust in competition—but it probably won't work. Out-gunned a hundred-to-one in budget, the modest promotion efforts of the community that's going it alone will almost unquestionably be swamped by the planned drives of the State development agencies, the utilities, the railroads, and the major metropolitan chambers of commerce.

Therefore, the popular slogan "If you can't beat them, join them" is particularly applicable. Or as one western State development agency put it:

Often one of the handicaps of the small or medium-sized community without much previous experience in the techniques of industrial development . . . is a tendency towards a self-centered and

isolated approach, where the competitive aspects of trying to attract an industry to **their** town are overemphasized and the essential co-operative aspects of this activity throughout their county, their geographic region or their State are overlooked . . . Integration of the local community with the work of many groups outside the local community is an essential part of any local development program.

This is doubly true in a redevelopment area, where the economic need is greater and the available promotional budget is almost certainly smaller. A close look at some of these "natural ally" groups will give some clues as to how they can help plan, build and sometimes even pay for the promotional program.

THE ORGANIZATION

State Development Agency: Key industrial research, development and promotion organization on the State level. Often initial point of contact for major industrial inquirers.

Private utilities, Rural Electric Cooperatives, Railroads: Provide basic services new industries feed on. Most have industrial development departments.

Banks: Central local source of financing and general information; increasingly active in industrial development.

Construction, management consulting, engineering firms: Often not only build plants but also advise and influence expanding companies on location decisions.

WHAT IT CAN DO

Promotional advice based on years of analyzing State communities and regions. Wide variety of services including preparation of detailed research brochures (e.g., New York) or providing matching promotional funds (e.g., Pennsylvania).

Expert aid in every step of promotion. Most utilities join at local level in preparing fact sheets, site descriptions, community guides, direct mail lists, and jointly solicit prospects. Many participate in financing local promotion activities.

Lend prestige-by-association. Site-seeking companies tend to consider banks more conservative, less biased than most other local sources.

Can plug for a community if they have factual materials and know local development potential.

Local research institutions, universities: Often have invaluable development-related research material, or will prepare it on request.

Provide invaluable information, often at nominal cost. Best example: Atlanta, Ga., Chamber of Commerce utilizes Georgia Tech's industrial development staff to prepare individual feasibility analyses for serious site-seekers.

Area Redevelopment Administration: Federal clearing house for nearly 1,000 redevelopment areas. Brings together under one roof services of Departments of Commerce; Labor; Agriculture; Health, Education, and Welfare; Interior; Small Business Administration; Housing and Home Finance Agency; and other Government agencies.

Assistance to build firm research base under promotional materials; advice on techniques that have paid off elsewhere. Biggest plus: ARA's financial, technical and job-retraining features enhance local potential, providing a better basic story to tell investors.

The assistance offered by these various sources can be blended into a really cooperative "total sell" industrial promotion approach.

One of the most obvious, and yet somehow most overlooked, ways of doing this is simply by distributing factual materials to these and other "natural ally" organizations who in turn can relay them to prospects. This procedure makes particular sense because expanding companies so often first consider a larger geographic unit—a State or region—then focus on a specific community and site.

In its "How to Handle Industrial Inquiries" bulletin, the California State Chamber of Commerce hammers home this point of cooperation:

The most important step in an industrial development program (which is now being neglected by most local communities) is the provision of this essential factual information in published summary form to these key intermediate agencies, for transmittal by them to industrial inquirers.

The community can sell itself indirectly through these "intermediate agencies" or it can join hands with them and go out and contact prospects in person through an intensified industrial tour. Whether an industrial tour turns into a junketeering joyride or a unique sales opportunity depends in large measure on how well it is planned, carried out, and followed up.

A "sales blitz" can concentrate on nearby metropolitan areas, jump State borders, or even span oceans. Witness the Southern New Jersey Development Council, which late in 1961 shipped some 65 local business and community leaders off to Sweden, armed with a carefully prepared dossier of possible "profit deals." The trip involved three months of advanced plan-

ning, and, as in most properly run tours, each member paid his own way.

If this sounds like little more than a clever excuse for a pleasant European vacation, consider these results as catalogued by officials on the "Mission to Sweden":

The most rewarding aspect of the entire trip was the generation of some 50 business deals. They break down in this manner: 18 Swedish firms were intersted in the import and selling of their products in America; 12 Swedish firms were interested in the manufacture and distribution of Swedish products in this country; 16 firms were extremely interested in the export of U.S. products to Sweden; and a total of 8 companies indicated direct interest in the future contruction of plant facilities in the United States.

An important additional tool has been placed in the hands of community groups interested in selling Free World investors on the advantages of locating in their part of the country. The U.S. Department of Commerce recently established a new Office of International Investment, one of the chief functions of which is to attract European and other foreign investment. This means that the Office of International Investment will help community developers pick out companies and countries, introduce local representatives to the right people in the right places, and put appropriate overseas government officials at the disposal of promotion missions.



FROM HUNTING INDUSTRY TO HANDLING INQUIRY

A few years ago, a big northeastern industrial development organization launched a vigorous direct mail campaign aimed at the presidents of 5,000 carefully selected manufacturing corporations across the United States. The results were astonishing: Close to 400 top executives requested further information, and over two dozen of these asked the kind of tough, hard-nosed questions that suggest lively immediate interest. Most exciting, three prospects disclosed they planned on-the-spot investigation in the near future.

What followed can best be described in a five-letter word: Chaos. The "detailed material" offered in the mailing had somehow been held up at the printer; most of the specific questions were answered with warmhearted generalities of the "you-have-nothing-to-worry-about-everything's-grand" variety; a temporary shortage of clerical staff made it impossible to arrange suitable accommodations for the intended visitors; and, to top it all off, somebody "leaked" to the press the name of the bluest-chip inquiry of them all—followed by a prompt and public denial by the company's top officials.

Unfortunately, many development promotion programs at all levels end up like this: With a half dozen harried men sitting in a room, looking at a table piled high with impatient inquiry letters and asking each other: "What do we do now?"

The answer is either to mobilize a community's resources to welcome, inform, and play square with all representatives of expanding industry, or else to forget about promoting new industry and get into some other line of work.

A community may want industry, but to be successful it should be ready to service properly the scouts, agents, and diverse specialists that are the "advance men" for expanding firms. Here are the areas that must be covered for the group that is in business to handle inquiries:

INFORMATION—Unfortunately, industrial site seekers almost never ask the easy questions: "Is this a nice place to live?" "Do the people work hard?" Instead, they want to know about such undramatic matters as chemical analysis of industrial water, tax assessment ratios, foundation sub-soil qualities. These kinds of questions deserve—and demand—heavy digging.

The importance of prompt, factual, and honest question-answering was summed up by the Industrial Development Committee of the California State Chamber of Commerce in this fashion:

A businessman seeking information on which to base an important investment wants facts . . . He will be influenced favorably by the certainties in the picture, and unfavorably by the "loose ends" of uncertainty which delay and drag out his negotiations in a community. He is most certain to be unfavorably impressed by information which is indefinite, inadequate, or proves unreliable.

The same State chamber also came up with an interesting list of the subjects most often raised by serious industrial inquirers. In order of relative frequency and importance, they are:

- Description of industrial sites and buildings.
- Labor supply and living conditions.
- Transportation facilities.
- Power, fuel, and water.
- Raw materials.
- Business climate.

To be able to answer detailed questions on each of these topics, a community needs a central fact book—and, if the basic organizing work of the local committee has been done properly, the Overall Economic Development Program submitted to the Area Redevelopment Administration will form the nucleus for such a collection of relevant data.

PRINTED MATERIALS—The community's general brochure may be helpful in stirring up initial interest, but it's almost worthless to the veteran investment sleuth who wants authenticated fact materials to bring back to his

bosses at the home office.

The development organization might collect all of this research data on its own, provided it has a large budget and unlimited time. A more practical course would be to lean on other organizations and specialists both inside and outside the community. Thus the redevelopment committee's office becomes a sort of "one-stop shopping center" of materials from other sources on site location. Here are kinds of data that site selectors and their advisors like to look at, along with some likely places to get them:

MATERIALS

Site descriptions, photos and specifications.

Aerial maps, industrial zoning data.

Labor supply and characteristics.

Transportation facilities and services.

Power, fuel and water rates, and supply.

Local and regional marketing information and supplier services.

Business climate data.

Basic economic data.

A FEW SOURCES

Railroad, private utility, electrical cooperative, industrial realtor.

Planning board, mayor's office, local realtor.

State Department of Employment Security, local union central body.

All carriers.

Various utilities.

State and local chambers of commerce.

Local chamber of commerce, manufacturers' association.

Area Redevelopment Administration, State development agency, State Department of Commerce.

LOCAL CONTACTS—Visiting industry representatives will talk to the local redevelopment committee, but they'll talk to other people, too. Through expert sleuthing, they'll be particularly interested in learning if a pro-industry feeling permeates a community, or if the development organization is merely a false front behind which seethes all kinds of local fighting and feuding.

How fast they get appointments, what kind of a welcome they get, and most of all whether the answers they get seem to show a consistent pattern or a crazy-quilt of diverse opinion—all these will be tipoffs toward local attitudes for which industry officials will be watching.

ACCOMMODATIONS—Industrial site-seekers are people, too. They like a comfortable bed, a good breakfast, and a clean hotel room. Very possibly they also enjoy a game of golf, a visit to a museum, a swim, or a little fishing. This means that whether or not tourism figures prominently in the local economic development plan a certain amount of it may be very

important to the long-term future of a community's industrial development effort.

Here's a case in point: When Lebanon, Pa., launched its own little "bootstrap" effort a few years ago, it started by forming a hotel corporation, raising \$750,000 from 1,600 local investors, and establishing an 80-room, air-conditioned inn.

An investment of three-quarters of a million dollars may be beyond the capacity of most redevelopment groups, but all of them should make certain that they have at least one good hotel and a couple of recreational diversions for visiting site-seekers.

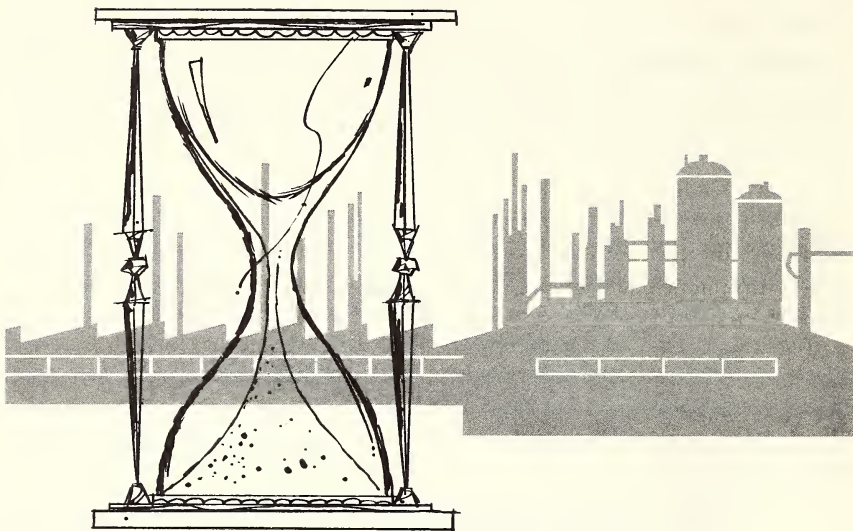
DISCRETION—Once the redevelopment group gets a really big corporate fish on the line, it will be strongly tempted to talk about it—particularly to the news media. Many a community group has done this, and in the process has won strong community praise—and lost the prospect.

There are good and sufficient reasons involving competition, supplier-customer relations, the cost of land, and much else behind company needs for confidentiality. In its 1960 instruction bulletin to member chambers, the California State Chamber of Commerce rated secrecy as No. 1 on its list of principles:

Whether the industrial inquiry comes by letter or personal visit, the plant location inquirer usually wants no publicity of any kind relative to his interest in a site . . . **It must be assumed that site-seekers do not wish their names turned over to private owners of property or real estate agents for direct sales approach.** . . . The community representative dealing with an industrial inquirer should be in the position of one in whom the inquirer can repose trust and confidence, while aiding him to obtain the information or to make the contacts he desires in the community.

The importance of corporate secrecy is underscored by this anecdote:

A major automotive products company was considering locating in a community in Maryland. Instead of investigating in person, the company chose as its special agent an important industrial realty firm. Yet even the agent's identity was kept top secret. He hired a local car so his own license plates couldn't be traced. He communicated with his principal only through two unlisted telephone numbers especially established for the purpose. And even after options on two pieces of property had been obtained, the name of neither the expanding company nor its consultant were known to the curious community.



TIME— THE IMPORTANT INGREDIENT

Economic redevelopment is a long, arduous process. The local organization must learn the economics of its area, choose its prospects, reach them with promotion, answer their inquiries, prepare the community to receive them, and marshal all of the “natural ally” forces everywhere to help sell the community.

After all this work, it might seem that the community’s only remaining task is to sign up new companies as they respond to this unified barrage of action. But it just doesn’t work that way.

As a veteran in the plant-attracting field recently remarked: “Too many communities want quick, dramatic results; too few are willing to knuckle down for the long pull. Even once a corporation is interested in a new location, it may take from one to three years or even longer to iron out the details. Attracting new industry is, then, a continuous, painstaking and often painful business.”

Thus, to the main ingredients of promotion should be added the most important element of all—**time**.

This time can be given over to frustration, to local criticism, to public bickering. Or it can be used to develop a host of new techniques for bringing in new enterprise. These may involve the recruiting of retired business-

men in the community who will devote their leisure years to advising the community group on promotional planning, or the working out of a cooperative arrangement with competitive developers, under which the two groups can "trade off" prospects that might be right for one, but not quite right for the other.

The time can be used to experiment with the perplexing problem of the annual budget: How to do a big-business job with nickles and dimes. This may lead to an increasing shift from the more glamorous alternative of buying big-space advertisements in national publications to the more nuts-and-bolts matters of staff, travel, telephone and personal contact, which, according to one State development director, should consume at least 80 percent of any yearly appropriation under \$40,000.

Finally, the time can be used in just plain hard work—hundreds of reminder telephone calls, letters, and meetings in which thousands of facts are patiently put into a pattern so that there will be the gradual progression from "inquiry" to "lead" to "prospect" to "negotiation" to "plant established."

Will it work? The answer lies in the successful experiences of scores of communities which have made this effort pay off in new industry.

PENN STATE UNIVERSITY LIBRARIES



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